



July 3, 2014

Dear <first name> <last name>,

You are receiving this letter because you are or were an employee of Watermark Retirement Communities, Inc., or a retirement community managed by Watermark Retirement Communities. We want to notify you of a potential exposure of your personal identifying information.

The situation arose when a laptop containing employee information was recently stolen. On June 13, 2014, a thief broke into a locked vehicle and grabbed valuables, including the laptop. The protected personal information located on the laptop included your name, address, telephone number, email address, date of birth and social security number. The laptop was password protected.

No protected health information was contained on the laptop – not yours, not any of our residents’.

Since June 13, 2014, we have undertaken an investigation to determine what was stolen, as well as the likelihood that any harm would result. We have been advised by authorities knowledgeable in this area that the thief was likely interested only in stealing the hardware and will be unable and/or uninterested in accessing the information on the hard-drive. In addition, our information technology systems will notify us if the laptop is used to access the internet, at which time we can remotely erase its contents. To date, we have not received any such notification.

While we have concluded that the potential that your personal identifying information will be accessed by unauthorized persons is small, we believe that notifying you is the right thing to do so that you may take steps to protect yourself, if you desire.

You may obtain information from the Federal Trade Commission (FTC) and credit reporting agencies about ways to place fraud alerts and security freezes on your account. Their contact information is:

Federal Trade Commission
Federal Trade Commission
600 Pennsylvania Avenue, NW
Washington, DC 20580
<https://www.consumer.ftc.gov/features/feature-0014-identity-theft>
202-326-2222

TransUnion LLC
P.O. Box 2000
Chester, PA 19022-2000
<http://www.transunion.com>
800-680-7289

Experian
475 Anton Blvd.
Costa Mesa, CA 92626
<http://www.experian.com>
888-397-3742

Equifax Credit Information Services, Inc
P.O. Box 740241
Atlanta, GA 30374
<http://www.equifax.com>
888-202-4025

In view of this event, you should be particularly vigilant for incidents of fraud and identity theft. If you suspect identity theft, you should report it immediately to your local law enforcement or your state Attorney General.

Rest assured that we at Watermark take this situation very seriously and have taken steps to protect data from further incidents of this type. For example, we are actively investigating ways to enhance data security on laptop computers, as well as reviewing policies, practices and training as they relate to the use of laptop computers for company business.

If you have any questions or concerns regarding these events, you may contact us on the Integrity Hotline at 1-800-597-6618. If the Hotline representatives are not able to answer your question, a Watermark employee will contact you directly.

We apologize for any inconvenience caused by these unfortunate events.

Watermark Retirement Communities, Inc.

A handwritten signature in black ink, appearing to read "David Barnes", with a stylized flourish at the end.

David Barnes
President